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**Joint Interim Subcommittee on
Vo-Techs and Job Training**

A Report to the 50th Legislature

December 1986



Montana Legislative Council

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A Report to the 50th Legislature

by the

Joint Interim Subcommittee
on Vo-Techs and Job Training

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SUMMARY OF RECOMMENDATIONS

The Joint Interim Subcommittee on Vo-Techs and Job Training educated itself on the current status of job training programs in Montana and monitored the initial phases of "Project Work," a new job training program for general assistance recipients. It made no recommendations to the 50th Legislature.

HOUSE JOINT RESOLUTION NO. 54

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF JOB TRAINING AND PLACEMENT PROGRAMS TO ATTEMPT TO COORDINATE EFFORTS TO PROVIDE MAXIMUM BENEFIT FOR UNEMPLOYED MONTANANS.

WHEREAS, some major employers in communities throughout Montana have ceased operations, thus leaving citizens without jobs; and

WHEREAS, long-term unemployment plagues many Montana citizens and a 7% to 8% unemployment rate has become commonplace; and

WHEREAS, many of the unemployed have had to use the state general assistance programs, thus increasing caseloads and creating a crisis in funding for the Department of Social and Rehabilitation Services; and

WHEREAS, as the average age of Montana citizens increases, unemployment becomes a greater problem because it is especially difficult for older persons to find employment; and

WHEREAS, federal assistance is decreasing for job training and employment programs that help Montanans develop necessary skills to secure employment; and

WHEREAS, the Build Montana program in the Department of Commerce has the mandate to promote economic development in this state, but has not to date impacted the basic unemployment problem; and

WHEREAS, several state agencies, such as the Department of State Lands, the Department of Natural Resources and Conservation, the Department of Fish, Wildlife, and Parks, and the Department of Highways have projects that could provide job training and jobs for participants while successfully completing the agencies' projects; and

WHEREAS, many state agencies have programs to assist the unemployed, and there is an increased need for coordination of efforts because of steadily decreasing resources; and

WHEREAS, the problem of skyrocketing costs of state public assistance is, to a great extent, a problem of lack of jobs.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That an appropriate interim study committee be assigned to:

- (1) examine how the Department of Commerce, through its Build Montana program, can develop economic growth in such a manner as to directly create jobs for the long-term unemployed in Montana;

- (2) examine how the Department of Labor can target public assistance recipients, and those not eligible for public assistance because of nonincome restrictions, for job training through the Job Training Partnership Act (JTPA), the Work Incentive program (WIN), programs for displaced homemakers and dislocated workers, and other available sources;

- (3) examine how the current general assistance workfare programs administered by the Department of Social and Rehabilitation Services and local governments can be used as an avenue toward permanent jobs in the private or public sector;

- (4) examine how various state and local government projects could be employment sources for those Montanans who might otherwise receive public assistance and job training;

- (5) receive testimony and information from pertinent state agencies, local government agencies, community human services groups, low-income groups, business and taxpayer groups, and all other interested parties; and

- (6) develop a coordinated plan to streamline and increase the effectiveness of Montana programs for all unemployed persons.

BE IT FURTHER RESOLVED, that the committee report the findings and recommendations of the study to the 50th Legislature and, if necessary, draft legislation to implement the recommendations.

INTRODUCTION

This report describes the study undertaken by the Joint Interim Subcommittee on Vo-Techs and Job Training to implement House Joint Resolution No. 54 (HJR 54).

Part I reports the Subcommittee's decision to make an evaluation of the state's existing job training programs the primary object of its study. Public comment on the study's purpose, heard by the Subcommittee at its first meeting, contributed to this decision and therefore is summarized in Part I.

Part II presents a staff report on the state's primary job training program, funded by the federal Job Training Partnership Act (JTPA), and Part III describes the Work Incentive (WIN) program, a federally funded effort to find employment for recipients of Aid to Families with Dependent Children.

Part IV describes a survey of Montana job training recipients, undertaken in the fall of 1985 and presented to the Subcommittee at its third meeting.

Part V presents "Project Work," a new training and job placement program for general assistance recipients that was initiated during the interim. This program was the object of the Subcommittee's attention at its fourth and fifth meetings.

ORIGINS OF THE STUDY

In HJR 54 the Legislature acknowledged that a rising rate of unemployment in Montana has increased dependence on general assistance to the point that the Department of Social and Rehabilitation Services (SRS) is facing a funding crisis. The resolution called for improved coordination of existing job training and placement programs and "a plan to streamline and increase the effectiveness of Montana programs for all unemployed persons."

Given this general objective, the resolution identified three distinct areas of concern:

1. Economic growth, promoted by the Build Montana program, that will create jobs for the long-term unemployed;
2. Improved benefits to public assistance recipients from existing job training and placement programs; and
3. Use of the existing "workfare" program administered by SRS as an "avenue toward permanent jobs."

Focus of the Study

At its first meeting on October 4, 1986, the Subcommittee declined to address the issue of job creation through economic growth.¹ Referring to the origin of the resolution in the Human Resources Subcommittee of the House Appropriations Committee,

Representative Rehberg stated that the primary concern was with coordination of existing resources to see that the people most in need are provided with job training. The Human Resources Subcommittee had found a lack of coordination between SRS, the Department of Labor and Industry (DOLI) and other state agencies that implement job training programs, and had requested a performance audit of job training programs.

The Subcommittee agreed that the focus of the study should be to discover "how to train or retrain the highest number of people with the funds that are available." Staff was asked to prepare a report on existing state job training programs, for the Subcommittee's second meeting.

Legislative Audit Committee Studies

Scott Seacat, Legislative Auditor, announced at the Subcommittee's first meeting that his staff had been instructed to conduct two studies relevant to the Subcommittee's concerns:

(1) A survey of job training recipients in four programs (Job Training Partnership Act; Work Incentive Program; Displaced Homemaker Program; and Build Montana); and

(2) An audit of DOLI administration of the Job Training Partnership Act (JTPA) programs.

Copies of the Auditor's reports are available at the Legislative Council library. The Subcommittee expected to review both reports, but only the survey was completed in time. The results of the survey are summarized in Part IV below.

Public Comment

Members of the Montana Low Income Coalition (MLIC) urged the Subcommittee to consider the following actions:

- revising state job-training programs to provide training for general assistance recipients in particular and semi-skilled and unskilled workers in general;
- repealing the restrictions on general assistance that were imposed by House Bill 643 of the 1985 session (subsequently ruled unconstitutional by the Montana Supreme Court);
- adding members of non-profit organizations to the Private Industry Councils that administer the state's JTPA programs;
- investigating DOLI's management of JTPA funds; and
- instituting public works programs that would provide jobs for semi-skilled and unskilled workers who cannot find jobs in private industry.

MLIC members repeatedly criticized existing job training programs, particularly those funded through JTPA, for failing to serve general assistance recipients. In their opinion, too much of the money is spent for DOLI staff salaries and administration, and too few of the people who receive training are genuinely low income people, or "the poorest of the poor."

Gary Curtis, administrator of the DOLI Job Service and Training Division (JSTD), defended his agency's administration of JTPA programs. He said that general assistance recipients are not necessarily the "poorest of the poor," and that in any case JTPA funds could serve only one out of twenty economically disadvantaged people. His agency's philosophy is to aim for a more significant impact on a smaller number of lives rather than a less significant impact on a larger number of lives.

II

JOB TRAINING PARTNERSHIP ACT PROGRAMS IN MONTANA

Introduction

At the Subcommittee's second meeting, on November 25, 1985, staff presented a background report on the Job Training Partnership Act (JTPA) and its implementation in Montana.² A summary follows.

The Job Training Partnership Act was signed into law in October 1982. In October 1983, after the year's delay allowed for organizing state delivery systems, JTPA replaced the Comprehensive Employment and Training Act (CETA) as the nation's primary federally funded employment and training program.

Major provisions of JTPA. The Job Training Partnership Act consists of four substantive titles:

Title I establishes the state and local service delivery areas (SDAs), lists the functions of private industry councils (PICs), and defines general program requirements.

Title II provides for training programs for economically disadvantaged adults and youth (Title IIA), and for a summer youth program (Title IIB). These programs are administered within service delivery areas through grants to agencies equipped to provide job training. Almost all the federal funds allocated to Montana under JTPA are dedicated to Title II programs.

Title III provides for a separate, state-administered employment and training program for dislocated workers -- that is, those who have lost their jobs because of plant closings or major work force reductions and are unlikely to return to

their previous industry or occupation. This program also is administered through grants to appropriate agencies. Federal funds must be matched by state funds.

Title IV establishes requirements for federally administered activities, including programs for Native Americans, migrant and seasonally employed workers, and veterans.

JTPA and CETA. Because JTPA replaced CETA as the primary means of financing job training for disadvantaged people, it is important to notice the similarities and differences between the two Acts.³

Both CETA and JTPA provided job training and employment assistance primarily through locally based delivery systems, and both provided supportive services, such as transportation and child care, to participants to enable them to attend training. More important than the similarity in purpose, however, are the philosophical and administrative differences between the two Acts.

First, JTPA calls for a partnership between public and private sectors, in the form of Private Industry Councils. These councils (PICs) are to decide what services to provide and how to allocate JTPA funds. Under CETA, such decisions generally were made by public agencies such as DOLI.

Second, JTPA imposes performance standards for training providers (subgrantees), and PICs are required to use these standards in awarding grants. Supplementary "incentive" grants are also provided, for subgrantees who exceed performance standards. Under CETA, performance standards were introduced but never implemented.

Third, JTPA requires each PIC to spend at least 70% of its funds on training. Program administrators under CETA spent about 20% of their funds for training in FY 1982.

Fourth, each PIC must spend at least 40% of its JTPA funds on services to youth (age 14-21), and must also serve welfare recipients and school dropouts in proportion to their incidence in the eligible population. No such targeting provisions existed in CETA.

Finally, less money has been appropriated for JTPA than for CETA. Expenditures in FY 1985 were approximately \$3.6 billion for JTPA, compared with \$4.2 billion for CETA in FY 1982.

JTPA In Montana

JTPA requires the governor of each participating state to appoint a Job Training Coordinating Council, composed of representatives of business, industry, and agriculture (one-third); representatives of the state Legislature and state agencies and organizations (at least one-fifth); representatives of local government (at least one-fifth); and representatives of organized labor, educational agencies, community-based organizations, and the general public (at least one-fifth).

The Job Training Coordinating Council is directed in the Act to "plan, coordinate, and monitor the provision of [JTPA] programs and services." Its plans and decisions are subject to approval by the governor.

The current members of Montana's Job Training Coordinating Council are listed in Appendix A, Table 1.

Service Delivery Areas. JTPA authorizes the governor to designate service delivery areas, which can comprise the entire state. Governor Schwinden has designated two service delivery areas: "CEP," a ten-county area in southwestern Montana, which was a "Concentrated Employment Program" grantee under CETA; and "BOS," the 46 in the balance of the state.

Each Service Delivery Area (SDA) receives a share of Title II funding in proportion to its share of unemployed and economically disadvantaged individuals in the state population. Allocation of Title II funds is the responsibility of the Private Industry Council for the SDA.

The Private Industry Council (PIC) is appointed by an advisory group consisting of ten county commissioners. The majority of each PIC must be representatives of the private sector -- that is, owners or chief executives of for-profit businesses -- who are nominated by business organizations in the SDA. The balance of the PIC consists of representatives of educational agencies, organized labor, rehabilitation agencies, community organizations, economic development agencies, and the public employment service.

Administration. Governor Schwinden appointed DOLI as the "administrative entity" for both service delivery areas. In this role, the Department, represented by the Job Service and Training Division (JSTD) until July 1986 and thereafter by the Employment Policy Division (EPD), coordinates the various programs funded

under JTPA, monitors and evaluates subgrantee performance, and provides information and other forms of staff assistance to the PICs. DOLI also operates Title III and other statewide JTPA programs.

Program Operators. Training programs under JTPA are offered by 50 organizations, including 24 Job Service offices, nine Human Resource Development Councils (HRDCs), the state AFL-CIO, SRS, and other non-profit organizations. Operators are selected by the PICs at the beginning of a two-year program cycle on the basis of proposals and past performance. Each operator recruits and enrolls participants, coordinates services with community organizations, promotes employer involvement, distributes funds and supportive services, and provides job training to program participants.

Agencies and Programs Funded under JTPA

Table 2 of Appendix A shows how Montana's FY 1986 JTPA funds were allocated among Title II and Title III programs. Of the \$12.9 million in available funds, all but \$1.5 million was for Title II programs.

JTPA stipulates that Title IIA funds must be divided between the governor (22%) and the state's SDAs (78%). The governor's share must be spent for education (8%), older worker programs (3%), and performance incentives (6%), leaving 5% for administration.

The remaining 78% of Title II funds is divided between the state's SDAs in proportion to their share of eligible persons in the state population. In FY

1986 CEP received 20%; BOS, 80%. Youth programs receive 48% of Title IIA funds in the CEP area; 62%, in the BOS area.

Title III matching funds are provided by the state through its Build Montana program. For FY 1986, the Build Montana contribution was \$193,000, down from \$300,000 for FY 1985.

The Displaced Homemakers program was initiated by the 1983 Legislature and is administered by EPD. In the last two fiscal years, about two-thirds of the funding for this program came from JTPA Title IIA, and the remaining \$125,000 came from a portion of the fee charged for dissolution of marriage plus a 15% match from the local community.

Specific agencies funded during the 1984-85 program year are listed in Table 3 of Appendix A. Job Service offices received about two-thirds of Title IIA funds in both SDAs, while Title IIB funds were allocated entirely to Human Resource Development Councils (HRDCs).

Approximately two-thirds of federal Title III Dislocated Worker funds, and nearly two-thirds of the state's "Build Montana" match, went to "Project Challenge," which is operated by the AFL-CIO.

The state's Displaced Homemaker funds were distributed among the same HRDCs, YWCAs, community colleges, and specialized agencies that received Title IIA funding for their Displaced Homemaker programs.

The "Governor's" share of Title IIA funding included \$259,000 for the "older workers" program. Of this amount, \$207,600 went to eight HRDCs and \$28,174, to the Montana Farmers Union.

The 6% share for incentives and technical assistance amounted to approximately \$566,000, which was divided between incentive awards of approximately \$225,000 and technical assistance provided by JSTD and the AFL-CIO for approximately \$337,000. About three-quarters of this amount was spent by JSTD for training sessions, classes, and other assistance to program operators who had not met performance standards.

The 8% share of Title IIA funds for "education," which requires an 80% match by the state, was allocated entirely to the Office of Public Instruction. This money is used primarily to support eligible participants at the five vocational-technical centers.

In FY 1985 about half the 5% share of Title IIA funds set aside for administration was reserved for the state Job Training Coordinating Council and PIC activities. Less than 10% was designated for audits. (Of the \$590,600 available for administration, \$229,000 was not obligated in FY 1986. This money amounts to a discretionary fund for the PICs.)

Administrative Costs

In addition to the 5% set aside for "administration" in the Act itself, 6.5% of the current federal funding for all Title II and Title III programs is assigned to the "administrative entity," that is, to JSTD. In other words, JSTD received approximately

\$510,000 in FY 1986 for administering Title II and Title III programs.

Table 4 in Appendix A shows the "administrative entity" allocation in relation to total available funding for the fiscal year. It also shows how much of the available funds was spent by program operators, and how the money spent by program operators was divided among training costs, supportive services, and administration.

When program operators' administrative costs are added to the money allocated to JSTD for administration and taken as a proportion of money actually spent, administrative cost ranges from 13% of Title III (Displaced Worker) expenditures to 46% of Title IIA-Education expenditures. In Title II programs operated by PICs, administration accounted for about 14% of expenditures, or one dollar in seven.

Administrative cost, as a percentage of total expenditures, increased somewhat from FY 1985 to FY 1986. The percentage spent for administration increased from 13 to 14 in Title IIA adult programs; from 14 to 16 in Title IIA youth programs; and from 18 to 46 in the Office of Public Instruction programs funded by Title II.⁴

Types of Training Provided

Various types of training are provided by JTPA-funded programs. The following description of the major components is condensed from the JSTD manual.

Basic Education. These programs are intended for participants who lack the necessary skills to enter unsubsidized employment or to benefit from classroom training, subsidized "work experience," or on-the-job training. Areas of instruction usually include basic math, reading skills, communication skills, consumer education, social studies, and G.E.D. preparation.

Basic education is offered by the vocational-technical centers in Billings, Great Falls, and Missoula and by Flathead Valley Community College in Kalispell. JTPA funding for this type of training is channeled through the Office of Public Instruction.

Classroom Training. This type of training is designed to provide participants with the technical skills and information required for a specific job or occupation. It is conducted in an institutional setting such as a vocational education center, and it may include remedial education courses and language training for people with limited English language proficiency.

Work Experience. Work experience is a short-term work assignment with a public or private non-profit employer. It is limited to participants who have not been working for an extended period and who need preparation in basic work skills. Participants receive minimum wage plus transportation and other expenses. Participants are not eligible for unemployment compensation. The maximum period of enrollment is six months.

On-the-Job Training (OJT). "OJT" is training that occurs when an employer has agreed to hire the participant and the participant is engaged in

productive work for that employer. The wage must be at least the federal minimum wage; half is paid by JTPA funds.

Program operators write OJT contracts with employers for time periods ranging from four weeks to a year. The duration of training depends on the occupation, but to qualify for OJT support, an occupation must require at least four weeks of training. Other restrictions are intended to ensure that OJT does not displace existing skilled workers or give employers who contract for OJT an unfair market advantage.

World of Work. This is a two- or three-week program that offers assessment, career information, labor market information, and job-seeking skills training. It is offered jointly by the Job Service and the Office of Public Instruction. School districts receive JTPA funds to hire instructors for these courses. One of these programs is conducted at the State Prison by the Anaconda Job Service office.

Job Club. "Job Club" refers to classes in job-seeking skills offered by local Job Service offices. Classes normally last two weeks and are intended to provide job-ready participants with the specific skills to obtain unsubsidized employment.

Mobile Job Search Assistance Program. This program combines World of Work and Job Club activities in rural areas of Montana, using mobile units staffed by employees from the Helena, Missoula, Great Falls, and Billings Job Service offices. The optimum duration of training in a given location is 70 hours.

Start-up Training. Although it is not financed by JTPA funds, this program is closely related to Title III programs for dislocated workers. One-third of the state's match for the state's Title III allocation, or \$68,534 in FY 1986, is used by Commerce Department and Job Service staff to provide specialized classroom training for occupations needed in a new business or industry. The intent of this program is to assist new or expanding businesses and industries.

Eligibility and Participation

Economic disadvantage. The intent of JTPA was to provide funds with which economically disadvantaged persons could be trained for jobs. As defined in the Act and in JSTD's 1985 rules for administering JTPA programs, an economically disadvantaged individual:

(a) receives, or is a member of a family which receives welfare payments under a federal, state, or local welfare program; (b) has, or is a member of a family which has received a total family income for the six-month period prior to application which was not in excess of (i) the Office of Management and Budget poverty level or (ii) 70 percent of the lower living standard income levels; (c) is receiving food stamps; (d) is a foster child; or (e) is a handicapped individual whose own income meets the requirements of clause (a) but who is a member of a family whose income does not meet such requirements.

The "70 percent of the lower living standard income level" in non-metropolitan areas ranges from \$5,250 for a single person to \$17,730 for a family of six. (The only metropolitan areas in Montana are Cascade and Yellowstone Counties.)

In addition to being economically disadvantaged, a candidate for a Title II program must be a citizen; in

compliance with the Selective Service Act; a resident of the SDA; and enrolled in a Montana JTPA program for no more than 30 months. Only people aged 14 to 21 are eligible for a Title IIB (summer youth) program.

Up to 10% of participants in all Title IIA programs administered by an SDA may be individuals who are not economically disadvantaged but face one or more of the following "barriers to employment:"

- limited English proficiency;
- displaced homemaker;
- school dropout;
- teenage parent;
- handicapped;
- chemically dependent;
- an older worker (age 55 or older);
- a veteran;
- an offender.

Dislocated Workers. A "dislocated worker" eligible for Title III programs is an individual who is:

(a) terminated or laid off from employment (or given notice of lay-off or termination); eligible for unemployment compensation; and unlikely to return to his or her previous industry or occupation; or

(b) terminated (or given notice of termination) as a result of any permanent closure of a plant or facility; or

(c) long-term unemployed with limited opportunities for employment in the same or a similar occupation in the area of residence, including older people with substantial barriers to employment by reason of age.

Priority for service in Title III Dislocated Worker programs is given to applicants who were laid off after January 1, 1980; were unemployed more than 15

weeks during the 26 weeks prior to application; or have exhausted regular unemployment insurance benefits.

A "displaced homemaker" is a person who has worked in the home for at least three years providing unpaid household services for family members; is not gainfully employed or is underemployed and is having difficulty securing employment; and was dependent on public assistance or the income of another family member but is no longer supported by that income. This definition is not intended to exclude a person who has worked part-time or in a temporary low-wage job during the previous three years.

Target Groups. Certain groups have been designated as "significant segments" of the population, or target groups. Program operators must attempt to serve these groups in the same proportion as the group's incidence in the economically disadvantaged population, unless the program operator has requested and justified a waiver in his proposal.

In the following list, the percentages in parentheses represent JSTD's estimates of the group's incidence in the economically disadvantaged population, in 1986. Since the size of the economically disadvantaged population is itself an estimate, these percentages cannot be relied on absolutely.

- Female (50%)
- Handicapped (8%)
- Offender (3%)
- Veteran (7%)
- Displaced homemaker (10%)
- Unemployment compensation claimant (5%)
- School dropout or potential dropout (7%)
- Black, Asian, or Hispanic (BOS, 3%; CEP, 1%)
- Amer. Indian or Alaska Native (BOS, 15%; CEP, 5%)
- AFDC recipient (BOS, 7%; CEP, 9%)
- General Assistance recipient (BOS, 2%; CEP, 6%)

Exemptions from some of these target group goals are allowed for Displaced Homemaker, youth, and Dislocated Worker programs.

Performance Standards

Placement Rates. The number of participants enrolled in JTPA programs during FY 1986, and the percentage "placed," are shown in Appendix A, Table 5. This table also shows the total program expenditures per participant and per placement.

Between FY 1985 and FY 1986, enrollments increased in all programs except the Build Montana "Start-Up" and Displaced Homemakers programs. Placements also increased, although the percentage that found jobs remained constant at about half the number enrolled.⁵

For FY 1985 the performance standard for placement rates was set at 55% of those who completed adult Title IIA programs; for FY 1986 it was set at 65.7% in the BOS area and at 70.5% in the CEP area. Actual rates for FY 1986 were 68.2% and 72.8%, respectively.

The FY 1985 performance standard for average wage at placement for adults originally was set at \$4.91 per hour. Few programs achieved that standard in FY 1985, and in June 1984 a revised standard of \$4.30 per hour for BOS and \$4.16 per hour for CEP was established.

For FY 1986 the standard was returned to \$4.91 per hour. The average wage earned by adult JTPA enrollees who found jobs had increased substantially, from \$4.66 in the "Balance of State" area in 1985 to \$5.00 in

1986, and from \$5.08 to \$5.33 in the "Concentrated Employment Program" area. (See Table 6 in Appendix A.) The average wage for people who found jobs through the Dislocated Worker program increased from \$7.20 to \$7.58.⁶

Cost Per Placement. Program expenditures per placement averaged approximately \$2,000 for adult Title II programs and \$1,400 for Title III Dislocated Worker programs (see Table 5 in Appendix A). The performance standards were \$2,200 for Title II and \$1,100 for Title III.

Target Groups. On a statewide basis, JTPA programs reached members of "target groups" in proportions exceeding their share of the eligible population. Table 7 in Appendix A shows that the 3,106 adult Title IIA program participants included larger proportions than "expected" in all target categories.

Follow-Up. Placement rates and average wage at placement are two of the primary factors used in evaluating program operator performance. Both are based on a 90-day follow-up conducted by program operators. The Legislative Auditor's 1986 performance audit criticized the procedures used and raised serious doubts about the validity of the data.⁷ The Employment Policy Division has implemented new federal regulations that almost certainly will improve the quality of follow-up information.

The Role of the Legislature

Staff attorney's report. At its third meeting the Subcommittee heard a report by its staff attorney on

the extent of the Legislature's authority to design and administer job training programs under JTPA. This report is reproduced in its entirety in Appendix B and is summarized below.

Under JTPA, job training programs are administered by PICs consisting of private-sector representatives and local elected officials. The role envisioned for the state Legislature is limited largely to reviewing and commenting on the job training programs designed by the PICs.

Section 126 of the Act provides that state legislatures may enact legislation implementing the law if it is consistent with the provisions of the Act. Other sections limit the Legislature's authority, however, by giving control over selecting program operators to the PICs. In addition, the governor, acting with the advice of the state Job Training Coordinating Council, is responsible for defining service delivery areas; approving locally developed plans; monitoring and auditing performance; and insuring compliance with federal mandates. In Montana, DOLI is the governor's agent in these matters.

The Act further specifies that training funds may be spent only for occupations for which there is a demand in the area served; that only 30% of all funds expended may be spent for administration and supportive services, and that equitable services must be provided to significant segments (target groups) of the eligible population.

Under the Act, the governor's plan for the next two-year program cycle must be made available for

review and comment to each house of the state Legislature, not less than 120 days before the beginning of the cycle.

State legislatures also may play a role in administering JTPA programs through the state Job Training Coordinating Council. The Act provides that at least 20% of the Council's members must be drawn from the Legislature or state agencies. In Montana, two members of the state Job Training Coordinating Council are members of the state Legislature.

Legislative Action Taken in Other States. In September 1986 the National Council of State Legislatures reviewed the status of state JTPA programs and reported that nine states have passed comprehensive enabling legislation for their JTPA programs, and another 13 have taken statutory action.⁸

A key feature of enabling legislation is to "institutionalize into state policy and practice the goals and resources of the Job Training Partnership Act." More specifically, state laws were passed to formalize legislative representation on the state Job Training Coordinating Council; to specify state administrative authority for program operation; to establish procedures for legislative review of state and PIC plans; and to guarantee legislative access to information on the operation of the program.

State legislatures have influenced the distribution of JTPA services within the eligible population by establishing priority groups for JTPA service; requiring proportional service to a percentage of the eligible population; and tying performance standards and incentive grants to specific target groups.

Title III money (for dislocated workers) is distributed by the state rather than the PICs and is therefore amenable to legislative influence. Specific industries, occupations, or geographical areas can be targeted by earmarking state matching funds. The governor's 8% share of Title IIA money also requires state matching funds, and is relatively free of the spending requirements attached to Title IIA money spent by the PICs. The California and Wisconsin legislatures enacted specific uses for this money.

JTPA programs are operated through performance-based contracts. Performance standards are set by the PICs and can be legislated. In California, for example, 30% of the full payment for providing job training is withheld until the participant has been retained for 180 days on an unsubsidized job.

Under JTPA, states must coordinate their job training programs with their welfare policy. WIN programs also must be coordinated with JTPA activities. Six states have enacted legislation in this area. In Florida, for example, a JTPA-eligible individual's AFDC grant is diverted to a JTPA program in which an employer provides on-the-job training for the individual. Maryland has a similar grant-diversion program. Minnesota has created a single agency to administer all state and federal jobs programs. California requires that JTPA funds be used to serve AFDC recipients.

Montana, like many other states, is moving in the direction of coordinating JTPA and general assistance programs through Project Work, described below in Part IV.

As a general rule, the more a training program is designed to serve economically disadvantaged people, the greater the need for supportive services such as transportation and childcare. JTPA allows up to 15% of a service delivery area's Title IIA training funds to be used for supportive services. (In some areas, such as Montana's CEP, this limit is waived.) States have the option of supplementing supportive services through a separate appropriation. Maryland appropriated \$2 million for supportive services, allowing up to \$100 per week for a participant's training allowance, and California set aside \$6 million of the state's social services block grant to match the amount PICs spend on childcare.

III

JOB TRAINING FOR AFDC RECIPIENTS

At its third meeting, on February 14, the Subcommittee reviewed a brief staff report on the "WIN" program for AFDC recipients. It is reproduced here.

Legislative History

The Work Incentive (WIN) program was established in 1967 as an amendment to the U.S. Social Security Act. Further amendments in 1971 required all employable adult recipients of Aid to Families with Dependent Children (AFDC) to register for available work or training for work. The Social Security Disability Amendments authorized employment search activities for all WIN registrants and the provision of social services to AFDC applicants (as opposed to recipients) who are seeking employment.

The Job Training Partnership Act of 1982 (JTPA) required WIN to refer registrants to JTPA training and employment services when appropriate. Programs under JTPA must serve WIN registrants on an equitable basis, taking into account their proportions in the economically disadvantaged population.

The WIN Program in Montana

WIN funds are allocated to each state according to a the following formula: 50% are distributed on the basis of the number of WIN registrants in the state; 50% are distributed on the basis of performance

indicators such as the number of registrants entering employment; average wage; total welfare grant reductions; and so on.

In Montana, WIN is administered jointly by DOLI and SRS. WIN is a mandatory program in the 12 counties in which the state has assumed responsibility for welfare, and in these counties Job Service and SRS personnel work with AFDC recipients as a team, providing referral, counselling, workshops for job seekers, and other employment search activities. These services also are provided to AFDC applicants in other counties who volunteer for the WIN program.

Every AFDC recipient in the state-assumed counties must register for WIN unless she is under 16, or 16 to 18 and a fulltime student; 65 or older; the fulltime caregiver for a child under six or an impaired member of the household; or unemployable due to illness or incapacitation.

According to the WIN coordinator in DOLI, all employable AFDC recipients are now referred to JTPA programs, since Montana's allocation for WIN is not large enough to finance independent job-training programs. In any case, WIN is primarily an employment program, not a job-training program, and training is approved for AFDC recipients only when it offers the registrant the most expeditious means of entering employment. Unlike other JTPA participants, WIN registrants must accept appropriate work rather than training whenever it is available.

In FY 1986, DOLI's Employment Policy Division reported that 23% of JTPA Title II-A Adult program

participants were AFDC recipients. The AFDC "significant segment" or target group is estimated at 8% of the economically disadvantaged population.

Montana's FY 1985 allocation of \$1,088,385 was divided between Job Service and SRS (welfare) offices in the state-assumed counties. These funds were used primarily for staff salaries.

Job-training and related services were provided in FY 1985 for 4,980 AFDC recipients, of whom 1,075 found permanent jobs (i.e., jobs expected to last more than 30 days). In December 1985, the average hourly wage of people placed through this program was \$4.68. The estimated cost of the program was \$951 per placement, considering only the \$1,022,579 spent from the WIN allocation and not the cost of the JTPA program.

DOLI estimates that on an "annualized" basis, AFDC grants were reduced by \$4,080,539 in FY 1985. In the same year, recipients who had found employment earned \$9,242,819. Taking the sum of these numbers and dividing by the cost of the program (\$1,022,579) yields a ratio of approximately \$13 dollars gained for each dollar spent.

Coordination of Benefits. An AFDC recipient with earned income, such as wages, may deduct certain amounts from that income before it is compared with her AFDC grant. The AFDC grant continues as long as the net earned income is less than the grant.

Deductions include \$75 for "standard work expenses" such as mandatory payroll deductions and transportation; \$160 per month per child for child-care

expenses; and for the first four months only, the sum of \$30 plus one-third of the remaining earned income. After the first four months, \$30 per month is deducted from earned income for eight months.

After these deductions or "disregards" are made, any earned income that exceeds the AFDC grant is considered "excess earned income." Excess earned income disqualifies an individual (or a formerly unemployed married couple) from further grants, but her medical assistance continues for four months after the AFDC grant ends.

Wages earned in a JTPA program such as "work experience" or on-the-job training are considered earned income. Whether these wages would reduce or terminate an AFDC grant depends on individual circumstances. The deductions described above apply to these wages as to any earned income. Needs-based payments and supportive services provided under JTPA are not counted as earned income and therefore would not affect an AFDC grant.

According to an AFDC specialist in SRS, student grants and loans, such as Pell Grants, Basic Educational Opportunity Grants, National Defense and Guaranteed Student Loans, are not counted as earned income and therefore do not affect AFDC grants.

In summary, an AFDC recipient required to seek employment or enter a job-training program continues to receive his or her entire AFDC grant until the net income from wages exceeds the AFDC grant.

Food Stamps

The food stamp program is funded and administered separately from the WIN and JTPA programs, but the Job Service nevertheless is obligated, under the Food Stamp Act of 1977 and the Wagner-Peyser Act, to provide job search assistance to food stamp recipients.

Food stamps are provided at a cost to the recipient that is determined by his or her income and deductible expenses. Any grant for education is counted as income, but tuition, mandatory fees, and certain other expenses are deducted. Reimbursements for transportation, child care, uniforms, and so on, which JTPA participants may receive to support job-training activities, are not counted as income. And in contrast to the WIN regulations, food-stamp regulations specify that wages received for on-the-job training also are not counted as income for food-stamp purposes.

IV

SURVEY OF JOB TRAINING PARTICIPANTS

At the Subcommittee's third meeting, on February 14, 1986, the Legislative Auditor's staff presented its report on Montana job training programs.⁹ Highlights follow.

In the fall of 1985, the Legislative Auditor's office conducted a mail survey of persons in three groups: job training program participants; people who had sought employment at local Job Service offices; and employers who had hired a job training participant. The job training participants were enrolled in JTPA, WIN, and the state Displaced Homemaker and Build Montana programs between July 1, 1984 and September 1, 1985.

During that period 6,514 people participated in these job training programs (4,884 in JTPA, 549 in WIN, and 233 in Displaced Homemaker programs, and 848 in Build Montana), and about 50,000 people visited Job Service offices seeking employment.

Questionnaires were sent to a random sample of 735 job training participants, 229 Job Service clients, and 337 employers. Approximately 15% of the questionnaires sent to job training participants and Job Service clients were returned for lack of a forwarding address. Results were tabulated and reported for the remainder of the three samples.

Results

The auditor's office assessed Montana job training programs by comparing participants with Job Service clients who had not participated in a training program. The following table shows that three-quarters of Job Service clients, but only half the people who completed a job training program, had found a job.

<u>Percent</u>	COMPLETED JOB TRAINING	VISITED JOB SERVICE
Found a Job Through:		
Job Service	9	24
Program Operator	13	-
Friend or Relative	13	15
On Own or Other	15	38
Did Not Find a Job	39	23
No answer	11	0
Total	100	100
(Number)	(394)	(195)

(This question referred to a job found "upon completion of training." Only 63% of the job training participants had actually completed the training.)

Although Job Service clients appeared to have found work more easily, they were no more likely than job training participants to have kept their jobs. As of December 1985, 70% of people who had completed training were working, compared with 65% of people who had enrolled in training without completing it, and 62% of those who had not enrolled in training at all. The Job Service clients, however, were more likely than the others to have a full-time job (77% of those who were employed in December, compared with 64% of program completers and 58% of non-completers).

Of the 192 job training participants who found a job "upon completion of training," only 38% said that it was a job for which they had been trained.

In short, by December 1985 only 74 of the 625 job training participants in the sample had completed the training and found a job for which they had been trained.

Despite this apparent lack of success, job training participants were more likely than not to express satisfaction with the program. Over half (51%) of those who completed it rated it "excellent" or "above average" overall; nearly half (49%) said the training had helped them find a better job than they could have without it; and 32% rated the training excellent or above average with respect to the skills they had learned. On the other hand, only 29% of the completers rated it excellent or above average with respect to job placement.

Participants who had not completed the training program were less impressed with it. Only one-third of them rated the program "excellent" or "above average" overall, and only one-quarter of them rated the skills they had learned excellent or above average.

PROJECT WORK

At its fourth meeting, on May 2, 1986, the Subcommittee reviewed a staff report on Project Work¹⁰, summarized below, and received additional information from DOLI and SRS staff.

Introduction

HJR 54 instructed the Subcommittee to

examine how the Department of Labor can target public assistance recipients . . . for job training through the Job Training Partnership Act (JTPA), the Work Incentive Program (WIN) . . . and other available sources; [and] how the current general assistance workfare programs administered by the Department of Social and Rehabilitation Services and local governments can be used as an avenue toward permanent jobs in the private or public sector . . .

Without waiting for a Subcommittee recommendation, the 1985 Legislature, in its March 1986 special session, enacted a job training program for public assistance recipients. This program, known originally as House Bill 12 and now as "Project Work," links the Department of Social and Rehabilitation Services (SRS) with the Department of Labor and Industry (DOLI) in a joint effort to reduce the general assistance caseload by helping recipients find jobs.

History of House Bill 12

Limiting Welfare Eligibility. The Montana Constitution states, in Article XII, Section 3, that

The Legislature shall provide such economic assistance and social and rehabilitative services as may be necessary for those inhabitants who, by reason of age, infirmities, or misfortune may have need for the aid of society.

In recent years increasing numbers of inhabitants have needed the assistance and services that have come to be known as general assistance. The state's cost, for general assistance (GA) in the 12 counties whose welfare programs are administered by SRS, increased from \$2.6 million in the 1981-83 biennium to a projected \$9.8 million in the current (1985-87) biennium.

The 1985 Legislature twice attempted to reduce this cost by limiting eligibility for GA, first in House Bill 843 during the 1985 session, and second in House Bill 33 during the June 1986 special session.

House Bill 843 (Ch. 640, L. 1985) made "able-bodied" (that is, "not infirm") persons under the age of 35 ineligible for general assistance. Able-bodied persons ages 35 to 49 were eligible for only three months each year. Had it been allowed to take effect, this statute would have saved an estimated \$4.6 million in welfare benefits in FY 1987. But the First District Court issued a preliminary injunction preventing SRS from implementing the new restrictions. The district court ruled that the constitutional provision cited above establishes a fundamental right to welfare, and that the new restrictions violated the plaintiffs' constitutional guarantee of equal protection.

The Montana Supreme Court, in Butte Community Union vs. Dave Lewis (January 1986), ruled that although welfare benefits are not a fundamental right, they are "grounded in the Constitution" and cannot be

infringed merely because the state wishes to save money. The Supreme Court therefore issued a permanent injunction, and the age restrictions in House Bill 843 were never implemented. To cover GA benefits for FY 1987, a special appropriation of \$3.6 million was passed in the March 1986 special session.

In the June 1986 Special Session, SRS requested a bill (House Bill 33) to remove the age restrictions imposed by House Bill 843 and to limit all able-bodied GA recipients to 60 days of benefits each year. The Director stated that the Department's intent was to coordinate welfare eligibility with the new job training program initiated by House Bill 12. The 60-day limitation was to begin on November 1, 1987, but the law was challenged by the Montana Low Income Coalition in the First District Court. A preliminary injunction is expected to be issued by January 1.

GA Recipients Surveyed. After House Bill 643 was passed, the Job Service and Training Division initiated a special job search program for GA recipients in Missoula, Silver Bow, Lewis and Clark, and Cascade counties. The purpose of the program was to help people threatened with loss of their GA benefits find jobs and to assess the employability of GA recipients.

The welfare office in each of the four counties either provided a list of GA recipients or referred recipients to a specific staff person at the Job Service Office. Each recipient who went to the Job Service office was given an employability assessment and referred for job training, social services, or existing job openings, as appropriate. Each recipient also was asked to complete a questionnaire concerning

his background, abilities, and interest in finding work.

This program was continued for three months, ending in November 1985. During that time 632 GA recipients reported to the Job Service office for an employability assessment, counselling, and referral; each of them also completed a detailed questionnaire.

These 632 people are not a random sample of GA recipients, even in the four counties surveyed. In Cascade County, for example, only 42 of an estimated 600 recipients appeared at the Job Service office. Nevertheless, the information gathered during the project provides the best available assessment of GA recipients' employability.¹¹

The majority of recipients (71%) were men; most (60%) were single; most (73%) were between 21 and 50 years of age; and a small majority (52%) had at least a high school diploma or equivalent. Over half had been in Montana for at least a year, and 37% had been in the state at least ten years.

Two-thirds of the 632 recipients assessed were not considered "job ready" at the time of the interview. Significant "barriers to employment" for these people included prolonged absence from the labor market (44%); lack of skills and experience (34%); poor job hunting skills (30%); lack of a car or other transportation (39%); and lack of a phone or a stable address, or both (28%).

Absence from the labor market (one year or more) is considered one of the most critical barriers to

employment, because it is associated with all the others. People who have not worked for a long time are less likely than others to have a car, a telephone, a stable address, or appropriate clothing; they are more likely to have health problems and low self-esteem. Lack of a high school diploma is, by comparison, only a minor handicap. Recipients who had not graduated from high school (or equivalent) were no more likely than others to have been out of the labor market as long as a year.

Judging from the characteristics of these GA recipients, a program that addresses barriers to employment seems more urgently needed than a program that provides long-term training. In other words, the goal should be to maximize the chance of immediate employment, rather than prolong the recipient's absence from the labor market. Interim or transitional support, job-search training, and short-term subsidized employment probably are more appropriate than skills training as such.

The 1986 Work Project Conference

SRS organized a conference in February 1986 to address the impending shortage of funds for welfare benefits. Participants included representatives of Montana government agencies and Montana employers, people with experience in job placement programs for welfare recipients in Iowa, Nebraska, and Maryland, and representatives of the Montana Low Income Coalition.

Recommendations. Because the JSTD study of GA recipients showed that relatively few were "job ready"

or could benefit from skills training, the Montana employers and agency representatives who participated in the conference suggested that subsidized employment, such as "on-the-job-training" and "work experience," but not workfare, and programs to improve job readiness, are more appropriate for most recipients than long-term education or skills training. They also felt that the transition from assistance to work would have to be subsidized, to ensure that recipients would not initially be worse off as employees than they had been as recipients.

Representatives of employment programs in Iowa, Nebraska, and Maryland all emphasized the importance of training people to get and succeed in job interviews rather than teaching them specific job skills. They urged Montana officials not to "overscreen" potential job applicants but to "let the market determine employability." Job readiness training should be designed specifically to overcome barriers to employment, and it should be subsidized at least to the extent of payments for childcare and transportation. Peer group support was considered highly effective compared with individual counseling.

General Assistance and the Job Training Partnership Act

In FY 1986, only 6% of the 3,106 adults enrolled in the state's primary job training programs were GA recipients. Since participation in these programs is limited to economically disadvantaged people, GA recipients are nearly always eligible. To determine why more of them had not enrolled in JTPA programs, the Montana Job Training Coordinating Council surveyed

program operators early in 1986. Responses from 35 operators (about 90% of JTPA sites), as reported by DOLII, are summarized below.

Question: Is it your experience that welfare recipients, especially those on general assistance, are most in need?

None of the program operators said "yes," and 22 of them said "no." Many JTPA participants have income "far below that of a person on welfare." It is not clear from the JSTD summary whether respondents clearly distinguished GA from other welfare recipients, especially those on AFDC. AFDC recipients receive a larger monthly allotment and more medical benefits than GA recipients do, and those who do not have children under six are required to enroll in a job training program. In FY 1986, 23% of the people enrolled in Title IIA JTPA programs AFDC recipients.

Question: Have you denied service to general assistance recipients?

Responses to this question indicate that though service had never been denied, GA recipients tended to be difficult to serve. "Even extensive vocational counseling is not enough in some cases." Some operators reported that very few GA recipients volunteered or attended training after intake was complete, though "AFDC and WIN are not a problem." GA recipients as a group were said to be hostile and angry, compared with other welfare recipients.

Question: Can you recommend policy changes that would improve your ability to serve this group?

The following responses are listed in order of prevalence:

1. SRS should provide a monthly list of GA recipients including current addresses and phone numbers.

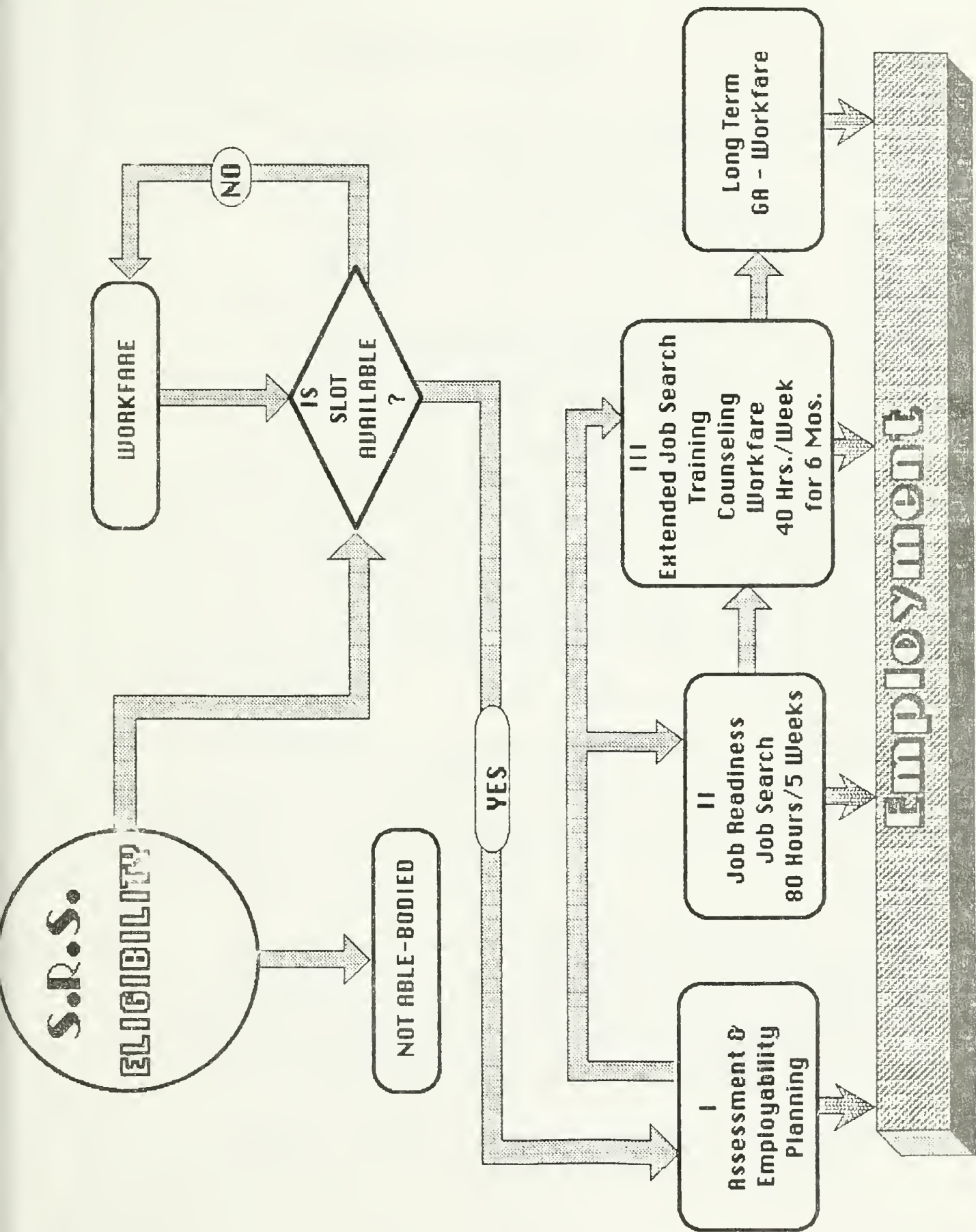
2. Referral from SRS to Job Service should be mandatory.

3. Medical benefits and child care should be continued six months after employment begins. No benefits received from welfare should be jeopardized by an employment and training program.

House Bill 12

For the March 1986 special session, Representative Winslow initiated a plan called "Project Work," a "time-limited work orientation program for able-bodied, single, GA recipients." This plan became House Bill 12, which was passed by an overwhelming majority of both houses at the end of the special session. It is based on elements of the Utah, New York, and Illinois programs described in Appendix C.

House Bill 12 requires SRS to provide a structured job search, training, and work program for able-bodied GA recipients, in counties whose welfare program has been assumed by the state. (See list in Appendix D, Table 1.) The program consists of the following elements (see chart):



Phase 1:

- assessment and testing
- an employability plan

Phase 2:

- remedial education or job skills training, if needed (in most cases, this means referral to a JTPA program)
- a job readiness and job search program, including a supervised effort to find employment

Phase 3:

- extended job search and counselling (may be combined with workfare)

Workfare: the existing SRS work program

The existing work program, or "workfare," was modified by House Bill 12 to include work provided by public agencies other than counties or private non-profit agencies, such as Human Resource Development Councils. Another new feature is a requirement that each recipient must spend at least 8 hours a week in a supervised effort to find employment (Phase 3), for at least six months.

A recipient who refuses to participate in the job search and training program is subject to the same penalty as a recipient who refuses to perform work assigned in the workfare program: one-fourth of the next monthly benefit amount.

House Bill 12 makes SRS responsible for instituting the entire job search, training, and work program, with the option of contracting with any agency for the job search and training services, and with any public or private non-profit agency for workfare.

Results. SRS has contracted with DOLI (Employment Policy Division) to administer the entire program on a

trial basis. For the period July 1, 1986 through February 28, 1987, SRS has allocated \$804,688 for Project Work, from General Assistance funds. (This amount is 22% of the department's FY 1987 appropriation for general assistance.) If by the end of February the program has met the SRS objective -- a 30 percent reduction in the General Assistance caseload -- SRS will seek additional funding to renew its contract with DOLI.

In April and May 1986, task forces were established in each of the twelve counties, consisting of the county welfare director, the local Job Service manager, the adult basic education or vocational-technical director, local legislators, and representatives of organized labor, legal services, low-income residents, and county commissioners. Each task force recommended appropriate local agencies to provide training, workfare, and coordination. These agencies are the subcontractors who actually spend the money allocated for the Project Work Program. They are listed in Table 1, Appendix D.

Table 2 in Appendix D shows that by the end of September, Project Work subcontractors had spent only \$245,000, or 31% of the total budget. This table also shows how the eight-month budget is allocated among counties and among subcontractors.

Preliminary estimates indicate that the program may be reducing the General Assistance caseload. In September the caseload for the twelve state-assumed counties dropped from 1,959 to 1,796, for a reduction of 8.3%. In 1985, the General Assistance caseload dropped only 1.3% in September (from 1,537 to 1,517).

This reduction in caseload is accompanied by an increase in the number of people staying in the program from month to month (77% for August-September 1986, compared with 69% for August-September 1985). Apparently, fewer people are enrolling in the program now, compared with a year ago, but more of those who do enroll are staying with it.

"Project Work" and JTPA. Project Work includes the mandatory participation that JTPA program operators suggested, though not the medical benefits for clients who find jobs. (See "Support Services," below.) During the three-month period the program has been in operation, 163 GA recipients enrolled in JTPA programs, a substantial increase over the 100 enrolled during the same three-month period in 1985.

In most of the Project Work counties, the JTPA program operators also are responsible for the local Project Work training program as well. The question of whether to enroll a particular client in the local JTPA program or in the new "Project Work" program was addressed in a policy statement issued jointly by SRS and the Employment Policy Division in September 1985, as follows:

Issue: Some operators have stressed that HB 12 was intended to supplement the training/services opportunities provided under JTPA and that they intend to enroll as many GA clients under JTPA as they did last year in components such as World of Work and Job Club. Other operators believe the curriculum provided through HB 12 Job Readiness Training Phase II classes is comprehensive and is specifically designed to meet the needs of GA clients. Therefore, those operators do not intend to enroll GA clients in JTPA World of Work and Job Club classes.

Policy: JTPA should continue to be the first line of services and training available to GA clients. If spaces are available in regular Job Club and World of Work classes, GA clients should be enrolled. Local agencies who are operating both HB 12 and JTPA training programs should decide in which program the GA client is likely to be better served. The existence of HB 12 funding should not decrease the ability of a GA client to be enrolled under JTPA.

Job Placement. At the onset of the new program, 1,649 people were on General Assistance in the twelve state-assumed counties. By the end of September, 1,412 had been enrolled in "Project Work," and 161 (11%) of these had found jobs at an average wage of \$4.79 (see Appendix D, Table 3). The average program expenditure for each placement was \$1,670.

Both the placement rate and the average wage at placement varied considerably among counties. Only 5% of people enrolled in Silver Bow County's Project Work program found jobs, but their average wage was \$6.69. In Flathead County, 26 percent found jobs, but at an average wage of only \$4.39.

Of the 163 GA recipients enrolled in JTPA programs, 23, or 14%, had found jobs by the end of the quarter. This suggests that the recipients who were able to benefit from job training as such were more employable than the others. Most GA recipients evidently require intensive counseling for job readiness, and many need the supportive services that Project Work as yet cannot provide.

Supportive Services. Speaking at a meeting of the state Job Training Coordinating Council in October, program operators from the state-assumed counties pointed out that GA recipients in general need more

money for supportive services than JTPA clients generally require. Under the rules published in May and June by SRS, supportive services consist of reimbursement for transportation costs up to \$25 per month (at 21 cents per mile), and up to \$75 worth of work clothing per recipient. (Child care also is available, but parents of dependent children usually are AFDC rather than GA recipients.)

Project Work clients must live more than three miles from a training site to be reimbursed for transportation costs. GA recipients who live more than 12 miles from a training site are exempt from the program (that is, they receive GA benefits without enrolling in Project Work).

Approximately \$65,000, or 8% of the \$804,688 budget for Project Work was allocated to supportive services. The portion of the budget allocated to supportive services ranged from 4% in Deer Lodge and Powell counties to 16% in Silver Bow County, but actual expenditures were low (see Table 4 in Appendix D). Only 11% of the \$65,000 had been spent by the end of the first quarter, or approximately \$4.87 for each of the 1,412 people enrolled in the program.

Program Operators' Recommendations

Supportive Services. Program operators who addressed the Job Training Coordinating Council in October 1986 emphasized that GA recipients tend to have severe barriers to employment and therefore need special help. The Missoula Job Service representative estimated that half his "Project Work" clients have

chemical abuse problems and a third have a mental or physical handicap. Program operators from Cascade and

Silver Bow counties made similar comments. Their assessment is consistent with the results of the 1986 Job Service survey described above.

GA recipients are eligible for state aid for medical services only for treatment of a "serious medical risk." Program operators indicated a need for other medical services, such as glasses and hearing aids, and for drug and alcohol counselling. They also stated that \$25 per month is not enough for transportation, particularly if the client is referred to interviews in distant places. Subsidized literacy training was also recommended.

Medical Benefits After Placement. Program operators continued to recommend, as they had in the survey done earlier in the year, that GA recipients continue to receive medical benefits after obtaining employment. Only 30 of the 161 jobs obtained by GA recipients during the first three months of "Project Work" provided medical coverage.

A Stronger Incentive to Participate. Program operators pointed out that because SRS pays monthly benefits before a GA recipient is scheduled to enroll in "Project Work," the penalty for nonparticipation (one-fourth the monthly benefit) is not as effective as it should be. A recipient can participate only in alternate months, and thus fail to receive the benefit of the whole "Project Work" sequence, without losing more than one-fourth of his benefit every other month.

CONCLUSION

Project Work and the Job Training Coordinating Council

At its final meeting, on November 7, 1986, the Subcommittee reviewed a staff report on the effects of Project Work's first three months (summarized in Part V above) and heard informal presentations by DOLI staff and Tucker Hill, chairman of the state Job Training Coordinating Council.

Mr. Hill pointed out that 161 GA recipients had found jobs as a result of Project Work. "I don't know at what point in any new program you declare victory, and I don't think we're prepared to do that now, but I think the numbers indicate there's some success going on. The 161 jobs are about 10% of the total enrollment, and we feel fairly good about that."

The Subcommittee agreed that Project Work appeared to be going well at present, and that it was too soon to suggest any changes.

Mr. Hill's appearance before the Subcommittee was a consequence of the increasing consolidation of Project Work with the JTPA programs in Montana. Although this consolidation was not part of the original Project Work concept, it is entirely consistent with JTPA.

Proposed Changes in Project Work. On December 9, 1986, the Job Training Coordinating Council invited public comment on EPD's proposed policy for Project Work programs in FY 1988. County task force members from Missoula, Silver Bow, and Lewis and Clark counties

asked the Council to design job training programs specifically for GA recipients, taking into account the fact that many GA recipients have significant barriers to employment, including serious mental health and substance abuse problems. Supportive services should include counselling and an expanded transportation allowance, and activities other than job search, such as counselling or outpatient treatment, should be allowed during Phase III.

Task force members also urged the council to retain the present system of allowing local task forces to select program operators rather than giving this authority to DOLI or the PICs, and they asked that funding be proportional to each county's GA caseload. For the 8 months currently funded, only 45% of the money was allocated to Missoula, Cascade, and Silver Bow counties, but these three counties have 75% of the caseload.

Job Training Coordinating Council Recommendations.

The Council spent the day following the public hearing considering the staff proposal in light of the public comment and made the following recommendations.

1. Evaluation of proposals for FY 1988: county task forces will evaluate all proposals and select those that will be submitted to the Employment Policy Division.
2. Distribution of funds among counties: staff was asked to study this, but the Council appeared to favor funding in proportion to caseload.
3. Supportive Services: the council proposes to allow 15% of the overall subgrant (usually the allocation to a county) to be spent for supportive services, without specifying a dollar amount for any purpose. This means that program operators could choose to spend more than the previous limit

on transportation, work clothing, or childcare, or instead to pay for medical expenses such as glasses, hearing aids and special physical examinations, or to provide alcohol or mental health counselling.

4. Performance standards: For FY 1988, the Council will use the following standards in evaluating proposals for Project Work programs:

Placement Rate ("entered employment"): 45%
Average Wage at Placement: \$4.10
Cost per Entered Employment: \$2,500

EPD was asked to study the possibility of broadening Phase III requirements to allow activities other than job search and training, for participants who need counselling or treatment, and to determine how the county task forces could be made legal entities. Both projects may lead to amendments to House Bill 12.

END NOTES

¹ For a complete account of the Subcommittee's deliberations, including paraphrased discussion, see the minutes of the Subcommittee's five meetings, on file at the Montana Legislative Council.

² "Job Training in Montana" (November 1985), by Karen Renne, staff researcher for the Joint Interim Subcommittee on Vo-Techs and Job Training.

³ U.S. General Accounting Office, "The Job Training Partnership Act: An Analysis of Support Cost Limits and Participant Characteristics." Washington, D.C.: November 6, 1985.

⁴ Compare Table 4 in Appendix A with Exhibit 6-A in "Job Training in Montana," cited above.

⁵ Compare Table 5 in Appendix A with Exhibits 7 and 8-A in "Job Training in Montana," cited above.

⁶ Compare Table 6 in Appendix A with Exhibit 8 in "Job Training in Montana," cited above.

⁷ Office of the Legislative Auditor, "Job Training Survey: Report to the Legislature" (January 1986).

⁸ Rodney Riffel, Job Training: A Legislator's Guide. Washington, D.C.: National Conference of State Legislatures, September 1986.

⁹ Office of the Legislative Auditor, "Monitoring of Montana Job Training Programs" (Performance Audit, December 1986).

¹⁰ "Job Training for General Assistance Recipients" (November 1986), by Karen Renne, staff researcher for the Joint Interim Subcommittee on Vo-Techs and Job Training.

¹¹ Job Service and Training Division, Department of Labor and Industry, "Final Report on a Job Search Program for General Assistance Recipients" (March 21, 1986).

APPENDIX A

ALLOCATION OF JOB TRAINING PARTNERSHIP ACT
FUNDS IN MONTANA, FY 1986

Table 1

JOB TRAINING COORDINATING COUNCIL
Job Training Partnership Act, 1986

Chairperson:

Tucker Hill, Executive Director
Montana Wood Products Ass'n.
Helena
phone: 443-1566

J. Melvin Williams
State Representative
Laurel
phone: 628-4385

Jane Jelinski
County Commissioner
Bozeman
phone: 587-7316

Gene Christiaansen
OPI - Voc. Educ.
Helena
phone: 444-2410

Jan Brown
State Representative
Helena
phone: 442-6880

Stan Blaz
County Commissioner
Anaconda
phone: 563-8421

Emmy LaBeau
Director, Women's Center
YWCA
Billings
phone: 245-6879

Jim Neutgens
210 Main St.
Wolf Point
phone: 653-2153

Randy Siemers, President
Yellowstone Valley Central Labor Council
24 South 29th Ave.
Billings
phone: 252-2271

Source: Employment Policy Division

Table 2

ALLOCATION OF FUNDS TO SERVICE DELIVERY AREAS
Job Training Partnership Act, FY 1986

	FY 1986 ALLOCATION	FY 1985 CARRY-OVER	TOTAL	% OF TOTAL ALLOCATION
<u>Title IIA</u>				
CEP Area				20%
Adult	\$ 930,680	\$ 244,850	\$ 1,175,530	
Youth	501,135	55,246	556,381	
BOS Area				58
Adult	2,476,879	252,104	2,728,983	
Youth	1,868,522	235,092	2,103,614	
Governor				
Older Workers	203,818	55,213	259,031	3
Education	543,514	95,532	639,046	8
Technical Assist. & Incentives	407,636	158,858	566,494	6
Administrative	339,697	250,471	590,168	5
<u>Title IIA Total</u>	<u>\$ 7,271,881</u>	<u>\$ 1,347,366</u>	<u>\$ 8,619,247</u>	<u>100</u>
<u>Title IIB</u>				
Summer Youth Program				
CEP Area	454,265	81,890	536,155	
BOS Area	2,069,430	401,756	2,471,186	
<u>Title IIB Total</u>	<u>\$ 2,523,695</u>	<u>483,646</u>	<u>3,007,34</u>	
<u>Title III - Dislocated Workers</u>				
AFL-CIO and				
Job Service	546,566	102,613	649,179	
Discretionary	627,203	0	627,203	
<u>Title III Total</u>	<u>1,173,769</u>	<u>102,613</u>	<u>\$ 1,276,382</u>	<u>100</u>
<u>JTPA Total</u>	<u>\$10,969,345</u>	<u>\$ 1,933,625</u>	<u>\$12,902,970</u>	
Build Montana (Title III Match & Start-Up)	\$ 193,534	0	\$ 193,534	
State Displaced Homemaker Funds	\$ 125,000	0	\$ 125,000	
<u>Total Funds Available</u>	<u>\$11,287,879</u>	<u>\$ 1,933,625</u>	<u>\$13,221,504</u>	

Source: Employment Policy Division

Table 3

ALLOCATION OF FUNDS TO AGENCIES
Job Training Partnership Act, FY 1986

TITLE IIA - SDA SHARE	BOS Area	CEP Area	TOTAL
<u>Adult Programs</u>			
Job Service Offices	\$ 1,737,982	\$ 375,439	\$2,613,421
Displaced Homemakers	347,769	49,702	397,471
SRS	410,461	0	410,461
Other Agencies	1,000	54,076	55,076
Administrative Entity	185,416	79,416	264,832
Unobligated Balance	46,356	116,897	163,253
<u>Title IIA Adult Total</u>	<u>\$ 2,728,984</u>	<u>\$ 1,175,530</u>	<u>\$ 3,904,514</u>
 <u>Youth Programs</u>			
Job Service Offices	1,482,620	359,116	1,841,736
HRDCs	345,730	156,923	502,653
Administrative Entity	143,869	40,070	183,939
Unobligated Balance	131,395	272	131,667
<u>Title IIA Youth Total</u>	<u>\$ 2,103,614</u>	<u>\$ 556,381</u>	<u>\$ 2,659,995</u>
<hr/>			
TITLE IIA - SDA SHARE			
Total	\$4,832,598	\$1,731,911	\$ 6,564,509
<hr/>			
TITLE IIB SUMMER YOUTH PROGRAM			
HRDCs	\$2,336,673	\$ 506,628	\$2,843,301
Administrative Entity	134,513	29,527	164,040
<u>Title IIB</u>			
Total	\$2,471,186	\$ 536,155	\$ 3,007,341
<hr/>			

Table 3 continues next page

Table 3, continued

TITLE IIA - GOVERNOR'S SHARE

Older Workers

HRDCs	\$ 207,600
MT Farmers Union, Great Falls	28,174
Administrative Entity	15,483
Unobligated Balance	7,774
<u>Title IIA Older Workers Total</u>	<u>\$ 259,031</u>

Education

Office of Public Instruction	\$ 592,793
Administrative Entity	46,253
<u>Title IIA Education Total</u>	<u>\$ 639,046</u>

Administrative Activities

State and SDA Councils	\$ 256,334
Women in Employment Advisory Council	30,288
Firefighters' Training (Lewis & Clark County)	25,000
Audits	50,000
Unobligated Balance	228,546
<u>Title IIA Administrative Total</u>	<u>\$ 590,168</u>

Incentives and Technical Assistance

Technical Assistance:	
Research and Analysis (DOLI)	\$ 43,500
Technical Assistance - AFL-CIO	84,954
Technical Assistance - (DOLI)	209,902
Incentive Awards	
Incentive Awards to BOS agencies	182,195
Incentive Awards to CEP agencies	45,943
<u>Title IIA Incentives and Technical Assistance Total</u>	<u>\$ 566,494</u>

TITLE IIA - GOVERNOR'S SHARE

Total	\$2,054,739
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Table 3 continues next page

Table 3, continued

TITLE III

Dislocated Workers*

Job Service Offices	\$ 61,515
Anaconda-Deer Lodge County	15,000
AFL-CIO Project Challenge	440,415
Associated General Contractors	54,125
Reserve	39,000
Administrative Entity	38,083
Unobligated Balance	1,041

TITLE III

Total	\$ 649,179
-------	------------

STATE "BUILD MONTANA" (Matching Funds)

AFL-CIO Project Challenge	125,000
"Start-up" Training (DOLI)	68,534

State "Build Montana" Funds Total	\$ 193,534
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STATE DISPLACED HOMEMAKER FUNDS

Non-profit and public agencies (9)	\$ 125,000
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State Displaced Homemaker Funds Total	\$ 125,000
---------------------------------------	------------

 *Does not include Secretary of Labor discretionary funds for copper workers (\$303,445), but does include \$46,557 in matching funds (\$31,557 for Job Service offices and \$15,000 for Anaconda-Deer Lodge).

Source: Employment Policy Division

Table 4

EXPENDITURES OF ALLOCATED FUNDS
Job Training Partnership Act, FY 1985

Title IIA - SDA

ADULT PROGRAMS	BOS Area	CEP Area	TOTAL
Total Allocated	\$2,728,984	\$1,175,530	\$3,904,514
Administrative Entity*	185,416	79,416	264,832
Reserved, Tech. Assist.	0	0	0
Unobligated Balance	46,356	116,897	163,253
Available Funding	\$2,497,212	\$ 979,217	\$3,476,429
Administration	173,369	73,016	246,385
Training	1,841,974	578,501	2,420,475
Services**	415,600	277,290	692,890
Total Spent by Programs	\$2,430,943	\$ 928,807	\$3,359,750
Percent of this total spent on administration	7	8	7
Percent spent on services	17	30	21
Total Expenditures	\$2,616,359	\$1,008,223	\$3,624,582
(Administrative Entity plus Total Spent by Programs)			
Percent of this total spent on administration***	14	15	14

*Refers to Job Service and Training Division (in FY '87, the Employment Policy Division). Approximately 7% of the total allocation, including the FY'85 carryover, was assigned to the "administrative entity." It is assumed in this table that all the money allocated to JSTD was actually spent.

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees.

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Table 4, continued

Title IIA

YOUTH PROGRAMS	BOS Area	CEP Area	TOTAL
Total Allocated	\$2,103,614	\$ 556,381	\$2,659,995
Administrative Entity*	143,869	40,070	183,939
Unobligated Balance	131,395	272	131,667
Available Funding	\$1,828,350	\$ 516,039	\$2,344,389
Administration	146,478	45,529	192,007
Training	1,150,862	357,259	1,508,121
Services**	400,583	108,053	508,636
Total Spent by Programs	\$1,697,923	\$ 510,841	\$2,208,764
Percent of this total spent on administration	9	9	9
Percent spent on services	24	21	23
Total Expenditures	\$1,841,792	\$ 550,911	\$2,392,703
(Administrative Entity plus Total Spent by Programs)			
Percent of this total spent on administration***	16	16	16

*Refers to Job Service and Training Division. Approximately 8% of the total allocation, including the FY'85 carryover, was assigned to the "administrative entity." It is assumed in this table that all of the money allocated to JSTD was actually spent.

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees.

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Table 4, continued

Title IIB

SUMMER YOUTH	BOS Area	CEP Area	TOTAL
Total Allocated	\$2,471,186	\$ 536,155	\$3,007,341
Administrative Entity*	134,513	29,527	164,040
Available for Funding	\$2,336,673	\$ 506,628	\$2,843,301
Administration	49,620	6,955	56,575
Training	83,281	13,112	96,393
Services**	365,701	73,522	439,223
Total Spent by Programs	\$ 498,602	\$ 93,589	\$ 592,191
Percent of this total spent on administration	10	7	10
Percent spent on services	73	79	74
Total Expenditures	\$ 633,115	\$ 123,116	\$ 756,231
(Administrative Entity plus Total Spent on Programs)			
Percent of this total spent on administration***	29	30	29

*Refers to Job Service and Training Division. Approximately 5% of the total allocation, including the FY '85 carryover, was assigned to the "administrative entity." It is assumed in this table that all of the money allocated to JSTD was actually spent.

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees. Most trainees enrolled under Title IIB were in "work experience" programs, in which wages paid enrollees are classified as "services."

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Table 4, continued

	OLDER WORKERS	EDUCATION	INCENTIVES
Total Allocated	\$ 259,031	\$ 639,046	\$ 228,138
Administrative Entity*	15,483	46,253	0
Unobligated Balance	7,774	0	0
Available for Funding	\$ 235,774	\$ 592,793	\$ 228,138
Administration	16,562	214,713	10,040
Training	134,491	304,623	11 ^c ,287
Services**	57,555	0	33,545
Total Spent by Programs	\$ 208,608	\$ 519,336	\$ 158,872
Percent of this total spent on administration	8	41	6
Percent spent on services	28	--	21
Total Expenditures	\$ 224,091	\$ 565,589	\$ 158,872
(Administrative Entity plus Total Spent on Programs)			
Percent of this total spent on administration***	14	46	6

Note: The \$338,356 allocated to Technical Assistance is not included in this table. It was spent entirely on administration.

*Approximately 6% of the total allocation for the older workers and education programs, including the FY'85 carryover, was assigned to the "administrative entity."

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees.

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Table 4, continued

	STATE DISPLACED HOMEMAKERS	TITLE III DISLOCATED WORKERS	TITLE III DISCRETIONARY FUNDS*
Total Allocated	\$ 125,000	\$ 649,179	\$ 303,445
Administrative Entity*	0	38,083	--
Unobligated Balance	0	1,041	--
Available Funding	\$ 125,000	\$ 610,055	(not reported)
Administration	10,076	37,669	7,359
Training	101,939	453,414	135,398
Services**	10,456	49,938	56,085
Total Spent by Programs	\$ 122,471	\$ 541,021	\$ 198,842
Percent of this total spent on administration	8	7	4
Percent spent on services	9	9	28
Total Expenditures	\$ 122,471	\$ 579,104	(not reported)
(Administrative Entity plus Total Spent on Programs)			
Percent of this total spent on administration***	8	13	--

Note: The allocation for "administrative activities" (5% of Title IIA funding) is not included in this table because it did not appear in the EPD report on expenditures.

* EPD's report on program funding for FY '86 did not indicate whether any off the Secretary of Labor's discretionary funding for dislocated workers was assigned to the administrative entity, or whether there was an unobligated balance.

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees.

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Table 4, continued

	State "Build Montana" MATCHING FUND	START-UP PROGRAM
Total Allocated	\$ 125,000	\$ 68,534
Administrative Entity*	0	0
Available Funding	\$ 125,000	\$ 68,534
Administration	10,000	0
Training	102,500	42,279
Services**	12,500	0
Total Spent by Programs	\$ 125,000	\$ 42,279
Percent of this total spent on administration	8	0
Percent spent on services	10	0
Total Expenditures	\$ 125,000	\$ 42,279
(Administrative Entity plus Total Spent on Programs)		
Percent of this total spent on administration***	8	0

*Refers to Job Service and Training Division. None of the "Build Montana" matching funds were assigned to JSTD.

**"Services" include supportive services, such as payments for child care or transportation to enable the enrollee to attend training; needs-based payments, which enable eligible enrollees to attend long-term training; wages paid for "work experience" training; and counselling, job referral, and other direct services to enrollees.

***"Administration" is the money spent on program administration plus the money allocated to the "administrative entity."

Source: Employment Policy Division

Table 5

TRAINING COSTS PER PARTICIPANT
AND PER PLACEMENT
JTPA Programs, FY 1986

	NUMBER OF PERSONS	Cost Per Person for: TOTAL EXPENDI- TURES	ADMINIS- TRATION
<u>Title IIA - Adult</u>			
All participants	3,201	\$ 1,132	\$ 160
Participants placed (52%)	1,674	2,165	305
<u>Title IIA - Youth</u>			
All participants	1,627	1,470	231
Participants placed (53%)	861	2,778	436
<u>Title IIB - Summer Youth</u>			
All participants	1,511	646	146
Participants placed (01%)	11	68,748	20,056
<u>Title IIA - Incentive Awards*</u>			
All participants	100	1,589	100
Participants placed (51%)	51	3,115	197
<u>Title IIA - Older Workers</u>			
All participants	112	2,001	286
Participants placed (51%)	57	3,967	562
<u>Title III - Dislocated Workers & Build Montana Match</u>			
All participants	751	951	114
Participants placed (63%)	475	1,503	181
<u>Title III - Discretionary</u>			
All participants	181	1,098	41
Participants placed (16%)	29	6,857	254
<u>"Build Montana" Start-Up</u>			
All participants	102	414	0
Participants placed (65%)	66	641	0
<u>Displaced Homemakers</u>			
All participants	256	478	39
Participants placed (61%)	155	790	65

See note on the following page

Note for Table 5

Note: This table is derived from Table 4, which shows the total expenditures for each program, and enrollment and placement figures obtained from EPD. "Total Expenditures" and "Administration" are defined in Table 4. The costs shown in this table are higher than the costs reported by EPD (see Table 6) because the EPD figures are based on "Total Spent by Programs" and do not include the cost of the "administrative entity."

Table 6

COST PER PLACEMENT AND AVERAGE WAGE, BY PROGRAM
FY 1986

Title IIA	NUMBER OF PLACEMENTS	COST PER PLACEMENT	AVERAGE WAGE EARNED
ADULT			
Job Service Offices			
BOS Area	895	\$ 1,888	\$ 4.90
CEP Area	418	1,850	5.33
Displaced Homemaker			
BOS Area	230	1,494	4.58
CEP Area	30	1,647	5.26
SRS and Other			
BOS Area	82	4,853	5.54
CEP Area (prison)	19	NA	4.92
Total			
BOS Area	1,207	2,011	5.00
CEP Area	467	1,955	5.33
YOUTH			
Job Service			
BOS Area	463	2,937	4.24
CEP Area	204	1,735	4.37
HRDCs			
BOS Area	133	2,544	4.09
CEP Area	61	2,571	3.86
Total			
BOS Area	596	2,849	4.22
CEP Area	265	1,928	4.23
OLDER WORKERS			
Total (HRDCs)	57	3,660	4.68

Table 6, continued

	NUMBER OF PLACEMENTS	COST PER PLACEMENT	AVERAGE WAGE EARNED
<u>Title III</u>			
DISLOCATED WORKERS			
and "BUILD MONTANA" MATCH			
Job Service Offices	31	\$ 789	\$ 6.80
AFL-CIO	418	997	7.27
Assoc. Gen. Contr.	26	2,069	13.40
Total	475	1,402	7.58
DISCRETIONARY FUNDS	29	6,857	8.07
BUILD MONTANA - START-UP	66	641	4.19
STATE-FUNDED DISPLACED HOMEMAKERS	155	790	4.58

Source: Employment Policy Division

Table 7

PERCENT OF JTPA PARTICIPANTS IN TARGET GROUPS
SELECTED PROGRAMS, FY 1986

<u>Percent of</u> <u>Enrolled</u> <u>Who Were:</u>	Title ADULT	IIA YOUTH	Summer YOUTH	OLDER WORKERS	DISLOCATED WORKERS**	START- UP	(T) *
General							
Assistance	6	2	4	10	12	8	(6)
AFDC	23	12	17	3	5	8	(9)
Unemployment							
Comp. Claim.	8	3	0	4	26	14	(5)
Displaced							
Homemaker	23	2	0	3	5	2	(10)
Veteran	17	2	0	39	33	12	(7)
Offender	7	7	12	3	5	3	(3)
School Dropout	12	19	6	29	12	22	(6)
Handicapped	18	5	7	6	17	4	(9)
Female	56	56	47	51	20	43	(50)
Amer. Indian or							
Alaska Native	8	10	18	12	6	47	(5)
Black, Asian,							
or Hispanic	3	3	6	1	2	3	(1)
TOTAL NUMBER							
ENROLLED	3,106	1,640	1,508	112	924	102	

*Estimated percentage of the target group in the economically disadvantaged population, for the Comprehensive Employment Program (CEP) Service Delivery Area. Percentages for the Balance of State (BOS) Area were the same except for general assistance (2%), AFDC (7%), American Indian or Alaska Native (15%), and Black, Asian, or Hispanic (3%).

**Includes people trained under Title III: Dislocated Workers (131) and the Build Montana Match (793).

Source: Employment Policy Division

APPENDIX B

THE ROLE OF THE LEGISLATURE IN
ADMINISTERING THE FEDERAL JOB
JOB TRAINING PARTNERSHIP ACT

FEDERAL JOB TRAINING PARTNERSHIP ACT

Prepared for the Joint Interim Subcommittee
on Vo-Techs/Job Training

by

Mary Kelly McCue, Staff Attorney
Montana Legislative Council

February 1986

Issue: What is the extent of the Legislature's authority, if any, to design and administer the training programs provided for under the federal Job Training Partnership Act (JTPA)? (Public Law 97-300, codified at 29 USC 1501 et seq.)

Brief answer: The federally funded employment and training program of JTPA provides for programs designed and administered by private sector representatives and local elected officials. It is intended that local officials will work in partnership with representatives from their business, education, and labor communities in the planning and implementation of job training programs. The federal government's role is to establish standards for program performance. The role envisioned for the state legislature is limited largely to reviewing and commenting on the job training programs designed by the private industry councils, submitted jointly with local elected officials to the governor for his approval

Answer: As stated in the report of the U.S. Senate committee which considered the federal legislation, the Act is based on four basic principles:

1) Private Sector Involvement

First, the law provides for the involvement of the private sector in the design and administration of training programs. This objective is accomplished through the use of private industry councils who plan the training programs.

2) Role of Governor

Second, the law is based on a recognition of the distinct roles of federal, state, and local government. Section 126 of the federal Act provides that state legislatures are not precluded from enacting legislation implementing the law if it is consistent with the Act's provisions. Numerous provisions in the Act limit the legislature's authority, however, by giving primary authority to the governor, local elected officials, and the private sector. Under the federal legislation, the basic supervisory role is given to the governor, acting with the advice of the state job training council.

Under the legislation, the governor prepares a statement of the state's goals and objectives with regard to job training and coordination of training programs; defines the structure of the delivery system by determining service delivery areas; approves locally developed plans; monitors and audits the performance of plans; and insures fiscal responsibility and compliance with federal mandates.

3) Training Expenses Take Precedence

The third principle on which the training program is based is that the program must be a training program and not income maintenance. The Senate committee report states:

The new legislation has a single objective. It is to prepare people for employment. The object is not income maintenance and the provisions relating to public service employment and mandatory allowances in the old law have all been repealed. The provisions of the legislation are carefully designed to ensure that at least 70 percent of all the funds expended will go into direct training expenses with the remainder going only for essential administrative support and the kinds of supportive services without which participants would not be able to take advantage of the training opportunities.

In addition to setting these limits on any action contemplated by the state legislature, the Act specifies that training funds may be spent only for occupations for which there is a demand in the area served. Except for summer youth programs, no federal funds may be spent for wages, allowances, or stipends. Money spent on support services must relate directly to training. No funds may be spent for public service employment.

4) Performance Standards

The last major principle on which the Act is based is that the federal role is to establish standards for program performance. The federal government has reserved to itself the function of specifying what results the training programs must provide,

leaving the private industry councils free to design specific programs to achieve those specified outcomes. The basic measures of performance for Title II adult programs are a gain in earnings and a reduction in welfare payments. Also, any job training program must, in the words of the Act, "make efforts to provide equitable services among substantial segments of the eligible population."

Technical Assistance

Under the federal law, the governor must provide technical assistance to programs not meeting federal performance criteria. If a program fails to meet those criteria for a second program year, the governor must impose a reorganization plan which requires sufficient change in the administrative structure that the causes of the failure are eradicated.

Private Industry Councils

The core of JTPA is its reliance on local decision-making by the private industry councils. The councils plan training programs which must specify how training will be carried out, identify occupations for which skill training will be conducted, select organizations to provide training, and determine how resources are to be allocated. The private industry councils also determine what support services may be provided.

Role of the State Legislature

In view of these restrictions, what role is provided to the legislature in administering the provisions of

JTPA? Section 105 of the Act states that not less than 120 days before the beginning of the first of the two program years of a job training plan, the proposed plan (or a summary of the plan) shall be made available for review and comment to each house of the state legislature for appropriate referral. In this way a legislative committee could review the proposal and offer criticism.

The committee could review the plan to determine, among other issues, the following:

- (1) will the plan meet performance criteria;
- (2) will the plan effectively serve the economically disadvantaged;
- (3) does the plan show corrective measures for deficiencies in past audits;
- (4) will the proposed administrative entity be able to effectively administer the plan;
- (5) does the plan show adequate safeguards for the protection of funds;
- (6) does the plan provide for equality of access to training to all segments of the economically disadvantaged community;
- (7) does the plan meet the other requirements and limitations of the federal act.

In addition to providing a mechanism for the legislature to comment on a proposed job training plan, JTPA

provides that the state planning council must draw at least 20% of its membership from the legislature and state agencies. In this way the state legislature has an additional means of affecting the administration of the job training program. (Presently two of the nine members of Montana's state training council are state legislators.)

In summary, the role of the state legislature in administering the provisions of JTPA is severely limited by the administrative scheme and numerous other provisions of the federal Act. Any action contemplated by the legislature regarding the federal training program must not conflict with the limitations and administrative requirements contained in the act.

MKM:rm:LEGAL6:6052a

APPENDIX C

JOB TRAINING PROGRAMS FOR
WELFARE RECIPIENTS IN OTHER STATES

Nebraska

The program described at the Work Project Conference by Dean Curtis of Kearney, Nebraska, was developed under contract with the state, as a WIN Demonstration program. Although it was intended for AFDC rather than GA recipients, it is included here because it was used successfully in a rural area.

1. Once a client is determined to be non-exempt she is immediately sent to a trainer. No screening is done for education, and no assumptions are made about employability.

2. The client participates in an intensive five-day program teaching job search skills, interview techniques, and so on. This is done in a group setting, and the training is designed to make the group a positive, motivational force for each participant. Group support is as important as the specific job search training.

3. The group then undertakes a five-day job search, working out of a room equipped with telephones and other supplies, under the trainer's supervision. The goal is to set up interviews.

4. Once a week for the following six weeks, the group meets for an entire day, to provide support and offer new ideas.

5. Clients who fail to find employment are counseled concerning employment barriers. Deferring counseling to this stage means that barriers are identified by employers rather than by employment counselors.

6. Clients' expenses can be paid by social services. These expenses may include car repairs, clothing, gasoline, and child care.

Nationally, the group job search approach yields faster placement and higher rates of retention. In Nebraska, the cost has been low, less than \$400 per client, because no screening is required. In central Nebraska, based on eight months of experience, the placement rate was 80%.

The most successful job support programs are run by private entrepreneurs rather than WIN agency employees. In Nebraska, contractors receive a bonus for every placement in an unsubsidized job and for every 30-day retention. Base pay is received regardless of placement rate.

New York. Employable "home relief" recipients must perform work on public works projects or in non-profit agencies, or undertake on-the-job training by private employers, including nonprofit agencies.

A local social services official may establish an on-the-job training program by agreement with employers, supported in part by home relief funds. The maximum duration is 6 months, unless the department approves another 6 months for not more than 20% of state's recipients. The home-relief grant is transferred to the employer, but the recipient is entitled to the prevailing wage for the job.

In New York, "job club" activities are intended to provide public assistance recipients with the necessary job finding skills to seek unsubsidized employment independently. Activities include resume writing and practice in interviewing; identification of and contact with potential employers; and participation in actual job interviews.

Illinois

General Assistance recipients must accept employment, if able to work, or assignment to job search, training and work programs. These programs "shall be designed to preserve and improve the work habits and skills of recipients for whom jobs are not otherwise immediately available and to

provide training and experience for recipients who lack the skills required for such employment opportunities as are or may become available." Programs may include maintenance and other services required in connection with public offices, buildings, and grounds; state, county and municipal hospitals; forest preserves; parks; and streets, highways, etc. Participants must continue to register for regular employment and must accept any bona-fide offer of regular employment.

The Utah Emergency Work Program

In 1980, Utah abolished general assistance for employable single persons and couples. AFDC for unemployed parents (AFDC-UP) also was terminated. Subsequently community groups, legislators, and Department of Social Services staff developed the Emergency Work Program, which was funded by the Utah State Legislature in 1983. Eligibility for the program is based on income and property limitations. The essential elements of the program are as follows:

1. At least 40 hours a week spent in a combination of community work, job search, and short-term skill training or adult education. Most adults do community work for 32 hours and job search for 8 hours.
2. Benefits are paid only after the work requirement is met. The JTPA agency (usually Job Service except in the larger cities) reports performance biweekly to Social Services, which then issues a check.
3. The payment level "ensures there is an incentive to take a minimum wage job:" it ranges from \$220 per month for a single person to \$473 per month for a family of five or more. A minimum wage job pays \$583 per month.

4. Assistance is limited to six months in a twelve-month period.

5. Eligibility verification is not emphasized. If possible, applications are approved in two days.

In the first 18 months of the program, 2,000 families with dependent children, and almost 2,000 single persons and couples without dependents were enrolled, at an annual cost of approximately \$525 per household. Average length of stay in the program was about nine weeks, compared with twelve months in AFDC-UP. Local JTPA agencies reported a placement rate of over 60% for families with dependent children. Less than 10% of the recipients reached the six-month limit. The total cost of grants to families in the Emergency Work Program was \$800,000 annually, compared with \$9,000,000 for AFDC-UP.

A spokesman for the Utah Social Services Department attributed the success of this program to its the emphasis on jobs rather than assistance, which is reinforced by making payments after performance. In addition, requiring the JTPA agency to report biweekly ensures active, regular contact with the recipient. Recipients are encouraged to leave "areas of high unemployment," such as southeastern Utah, but it is recognized that not all recipients can do this.

APPENDIX D

PROJECT WORK: THE FIRST THREE MONTHS

Table 1
PROJECT WORK SUBCONTRACTORS
October 1986

County	Phases 1-2	Phase 3	Workfare
Cascade	Job Service	Opportunities, Inc. (HRDC)	County
Deer Lodge/Powell	Job Service	Job Service	County
Flathead	Job Service	HRDC - Kalispell	HRDC
Lake	Job Service	HRDC - Kalispell	HRDC
Lewis & Clark*	Job Service and C.T.I.	HRDC - Helena and County	HRDC
Lincoln	Job Service	HRDC - Kalispell	HRDC
Missoula/Mineral	Job Service	HRDC - Missoula	HRDC
Park	Job Service and HRDC	HRDC - Bozeman and Job Service	SRS
Ravalli	Job Service	HRDC - Missoula	HRDC
Silver Bow	AFL-CIO	AFL-CIO	County

Note: "HRDC" means Human Resource Development Council

* Lewis and Clark County is the subcontractor for all Phase 2, Phase 3, and Workfare programs in the county. It has subcontracted with C.T.I. (the Career Training Institute) for Phase 2, and with the Adult Learning Center and the HRDC (Rocky Mountain Development Council) for a portion of the Phase 3 and Workfare programs.

Source: Employment Policy Division

Table 2

ALLOCATION OF PROJECT WORK FUNDS
July 1986 - February 1987

Subgrant No.	County/Agency	Program Component	Expenses 1st Quarter	Eight Month Budget	% of Dollars Expended
	TOTAL BUDGET		\$245,677	\$804,688	31%
7200	Cascade County	Phase II	\$23,634	\$73,192	33%
7202	Great Falls Job Service Opportunities, Inc.	Phase III	9,077	29,540	31%
7203	Cascade County	Workfare	15,283	43,381	35%
	TOTAL BUDGET		\$47,994	\$146,113	33%
	Anaconda-Deer Lodge County/Powell County				
7200	Anaconda Job Service	Phase II & III	\$18,453	\$49,603	37%
7215	Anaconda-Deer Lodge County	Workfare	4,248	11,200	38%
	Powell County DHS	Workfare	-0-	-0-	-0-
	TOTAL BUDGET		\$22,701	\$60,803	37%
	Flathead County				
7200	Kalispell Job Service	Phase II	\$12,200	\$33,769	36%
7204	NW MT HRDC	Phase III & Workfare	10,643	35,125	30%
	TOTAL BUDGET		\$22,843	\$68,894	33%
	Lake County				
7200	Polson Job Service	Phase II	\$1,300	\$3,386	38%
7204	NW MT HRDC	Phase III & Workfare	2,601	8,781	30%
	TOTAL BUDGET		\$3,901	\$12,167	32%
	Lewis & Clark County				
7200	Helena Job Service	Phase II-Partial	\$10,486	\$27,964	37%
7209	Lewis & Clark County	Phase II, III, & Workfare	22,854	113,733	20%
	TOTAL BUDGET		\$33,340	\$141,697	24%
	Lincoln County				
7200	Libby Job Service	Phase II	\$6,238	\$20,285	31%
7204	NW MT HRDC	Phase III & Workfare	11,768	43,907	27%
	TOTAL BUDGET		\$18,006	\$64,192	28%
	Mineral County/Missoula County				
7200	Missoula Job Service	Phase II	\$14,554	\$41,850	34%
7210	Missoula HRDC	Phase III & Workfare	13,490	45,020	30%
	TOTAL BUDGET		\$28,044	\$86,870	32%
	Park County				
7200	Livingston Job Service	Phase II, III, & Workfare	\$9,065	\$25,901	35%
7212	Bozeman HRDC	Phase II, III & Workfare	1,500	8,250	18%
	TOTAL BUDGET		\$10,565	\$34,151	31%
	Ravalli County				
7200	Hamilton Job Service	Phase II	\$2,799	\$7,500	37%
7210	Missoula HRDC	Phase III & Workfare	2,269	8,049	28%
	TOTAL BUDGET		\$5,068	\$15,549	33%
	Butte-Silver Bow County				
7213	AFL-CIO	Phase II & III	\$16,883	\$67,420	25%
7214	Butte-Silver Bow County	Workfare	13,179	36,965	36%
	TOTAL BUDGET		\$30,062	\$104,385	29%
	Administration				
7200	Job Service-Central Office		\$1,577	\$4,722	33%
Memom.	Employment Policy Division		18,254	54,955	33%
7220	AFL-CIO TAT Consultation		3,322	10,200	33%
	TOTAL BUDGET		\$23,153	\$69,867	33%

Source: Employment Policy Division

Table 3

"PROJECT WORK" ENROLLMENT AND
 JOB PLACEMENTS, BY COUNTY
 July - September 1986

COUNTY	Number Enrolled	Number Placed	(Percent Placed)	Average Wage	Cost Per Placement*
Cascade	379	31	(8%)	\$ 3.89	\$ 1,548
Missoula**	313	27	(9%)	4.37	1,039
Silver Bow	328	18	(5%)	6.69	1,670
Lewis & Clark	92	14	(15%)	4.11	2,381
Deer Lodge***	81	21	(26%)	5.45	1,032
Flathead	73	18	(25%)	4.39	1,269
Lincoln	70	17	(24%)	5.89	1,059
Park	43	11	(26%)	4.33	960
Lake	18	4	(22%)	3.42	975

ALL COUNTIES	1,412	161	(11%)	4.79	1,670

* Actual expenditures divided by number of job placements

** Includes Mineral and Ravalli counties

*** Includes Powell County

Source: Employment Policy Division

Table 4

"PROJECT WORK" EXPENDITURES
FOR SUPPORT SERVICES
(July - September 1986)

COUNTY	NUMBER ENROLLED	(PERCENT PLACED)	EXPENDITURES FOR SUPPORT SERVICES	
			Total	Per Enrollment*
Cascade	379	(8%)	\$ 2,219	\$ 5.85
Missoula**	313	(9%)	780	2.45
Silver Bow	328	(5%)	1,551	4.72
Lewis & Clark	92	(15%)	360	3.91
Deer Lodge***	81	(26%)	882	10.89
Flathead	73	(25%)	210	2.88
Lincoln	70	(24%)	0	0
Park	43	(26%)	637	14.81
Lake	18	(22%)	179	9.94

ALL COUNTIES	1,412	(11%)	\$ 6,878	\$ 4.87

* Actual expenditures divided by number of enrollments

** Includes Mineral and Ravalli counties

*** Includes Powell County

Source: Employment Policy Division



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